What A Difference A Year Made In The American Luxury Marketplace

Contributed by The Shullman Research Center
Friday, 29 January 2016

By Bob Shullman, Founder & CEO, SHULLMAN RESEARCH CENTER
The most recent Insights brief that The Shullman Research Center published, based on its Shullman Luxury, Affluence and Wealth Pulse, focused on the American luxury marketplace during 2015 and showed what a difference a year can make.Â That's especially true when it reported on how many Americans stated that they bought a luxury product or service during 2015.Â Among all American adults, 21 million more consumers bought luxuries in 2015 than in the previous year (67 million vs. 46 million).Â And within that significant growth, the $75,000 to $249,999 household-income market segment showed the largest increase, with luxury purchasers growing from 22 million to 38 million, or 73 percent, over one year.

The 46 percent increase among all adults in the buying of luxuries also brought very good news to the personal luxury goods categories (luxury apparel and accessories, cosmetics, fragrances, jewelry, etc.).Â Within these markets, the beauty category (premium fragrances and cosmetics) was the most popular in 2015, growing from 20 million to 30 million luxury buyers (a 50 percent increase), enhanced by its appeal to many mass-market consumers with household incomes under $75,000 (not your usual affluent luxury buying market segment in the United States), 11 million of whom made a purchase in this category.Â Notably, the largest increase in the luxury personal goods category was again among consumers in the $75,000 to $249,999 household-income segment, which increased from 15 million to 29 million, an increase of 93 percent.

Beyond that, most other upscale categories â€” including fine wine/beer/spirits, premium home furnishings/art/antiques, and luxury cars/SUVs/trucks â€” didnâ€™t move the needle upward from 2014 to 2015, with the lone exception being luxury cruises/vacations, which showed 21 million "on board" in comparison with 13 million in 2014, an increase of 62 percent.Â To obtain a copy of the Insights brief that contains all the insights and data that were the basis of this news article, please click here.

Thinking about luxury in America 2016, is smooth sailing ahead?Â Itâ€™s our current point of view that there are too many imponderables right now, from the global economic concerns, terrorism, the American presidential elections, and more, to make any firm predictions.Â However, the emergence of the less-than-affluent into selective buying of luxury goods and services should bode well for the American portion of the industry as a whole.